

June 26, 2019

Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth St., SW, TW-A325
Washington, DC 20554

Dear Ms. Dortch:

Re: CC Docket No. 92-237

North American Numbering Plan Administration
Submission of Contribution Factor and Fund Size for October 2019 through September 2020

In accordance with 47 CFR § 52.16 (a), attached is the submission of the contribution factor and fund size for October 2019 through September 2020 as prepared by Welch LLP as Billing & Collection Agent. The NANC has approved this submission.

In order to meet the NANPA's requirement to issue the billings to the carriers by September 12th, we ask that the FCC expedite the approval of the contribution factor.

In accordance with the Commission's rules, a copy of this report has been filed electronically in the above-referenced docket.

Yours very truly,

WELCH LLP

A handwritten signature in black ink, appearing to read "Mark Jackson", with a long horizontal flourish extending to the right.

Mark Jackson, CPA, CA
Partner

Attachments
(Service List and Budget and Contribution Factor Submission)

CERTIFICATE OF SERVICE

I hereby certify that a copy of the forgoing filing was served this 26th day of June 2019 by electronic delivery or by electronic mail, to the persons listed below.



Heather Bambrugh

The following parties were served:

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* Filed via ECFS (Electronic Comment Filing System)

** Electronic mail

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of:)	
)	
Administration of the North)	
American Numbering Plan)	CC Docket No. 92-237

**North American Numbering Plan Administration
Contribution Factor and Fund Size
For October 2019 through September 2020**

I. Background of the Plan

The North American Numbering Plan (NANP) is a numbering scheme for the public switched telecommunications networks (PSTN) within the United States, Canada and the participating Caribbean countries. The NANP Fund was established to cover the costs of the NANP which include the costs of the administrator for the numbering plan and central code administration and other administration costs of the Plan. NANP is funded by United States telecommunication service providers, and from Canada and Caribbean member countries.

II. NANP Billing & Collection Agent

The Federal Communications Commission (FCC) selected Welch LLP to serve as the NANP Billing & Collection Agent (NANP B&C Agent) for a five year contract term effective May 1, 2018. According to Article 52.16 of Title 47 of the Code of Federal Regulations (CFR), the NANP Billing & Collection Agent is responsible for the collection of funds from United States telecommunication service providers and NANP member countries and for the disbursement of funds to support the numbering functions for telecommunication services. One function of the NANP B&C Agent is to determine the funds required for the operation of the Plan for each funding period and to propose a contribution factor for the United States domestic carriers.

III. Budget and Contribution Factor for 2019/20

The budget for the Plan for the upcoming 12-month period is set out in Exhibit 1. The total projected costs for the 2019/20 funding period are \$11,436,421 which includes a contingency allowance of \$2,000,000 and a deficit recovery of \$934,769. A detailed discussion as to the determination of the costs can be found under the heading “Anticipated Disbursements”. The International Members contribute \$257,618 towards these costs (see detailed discussion on this point under the heading “Contribution Factor Components – International Members”). The remaining cost of \$11,178,803 would be borne by the US carriers by way of direct contributions. Based on preliminary industry revenue figures of \$123B and the required contribution to be borne by the US carriers, a contribution factor of 0.0000908 is required. The budget and contribution factor were presented by Welch LLP and the FCC Contract Oversight Sub-Committee to the members of North American Numbering Council (NANC) on June 20, 2019 for comment and approval. No objection was brought forward and the budget and contribution factor were approved. The minimum funding requirement of \$25 per carrier will remain.

The proposed contribution factor is higher than last year (2018/19 – 0.0000427) due to higher costs, lower industry revenue and recovery of prior year deficit.

IV. Contribution Factor Components

Domestic Telecommunication Service Providers

The domestic carriers are required to fund the numbering administration costs (in excess of funding received from the International Members), the CO code administration, the thousand-block pooling administration, carrier audits and the costs of administering the Plan itself. As per 47 CFR § 52.17 all domestic telecommunications carriers are required to fund NANP on a competitively neutral basis. The contribution base that is used to determine the carrier’s Plan requirement is based only on billed end-user telecommunication revenues as reported on the Form 499A. The revenue base is determined by the following formula using information from the specific lines on the Form 499A: Line 420A + Line 412 – Line 511A.

The revenue numbers used by the NANP B&C Agent to calculate the individual fees are obtained from the Data Collection Agent, Universal Service Administrative Company (USAC). USAC collates the data from the Form 499A prepared by the telecommunication service providers and distributes the necessary information to NANP B&C Agent on a monthly basis to allow the B&C Agent to perform its functions.

International Members

Canada and the participating Caribbean countries contribute to the funding of the numbering plan administration function, but not the central office (CO) code administration, as these countries perform their own CO code administration. The Canadian and Caribbean countries’ share of the numbering administration costs is based on

the country's total population in relation to the total population of the United States, Canada and the participating Caribbean countries. This ratio is further reduced by the percentage of numbering plan administration work performed by the member country itself. Canada performs 25% of the numbering administration itself and the Caribbean countries perform 66.6% of the work themselves. The contribution required for the 2019/20 funding period by Canada and the Caribbean countries is \$164,078 and \$32,818 respectively. In addition, Canada and the Caribbean countries will contribute \$50,185 and \$10,537 respectively towards the deficit recovery related to NANPA administration cost overruns.

V. Anticipated Disbursements

Numbering Administration and 1K Block Pooling

SomosGOV, Inc. (Somos) administers the numbering plan and central codes administration as well as the 1K Block Pooling. Somos was awarded a one year contract for NANPA administration which expires October 31, 2019. The cost provided in the budget is based on the current one year contract that will expire during the budget period. An additional provision was included to provide for two months transition costs at the monthly rate used for the base cost.

Somos was awarded a one-year contract for 1K Block Pooling administration that expires October 31, 2019. The cost provided in the budget is based on the current one year contract that will expire during the budget period. In addition, a provision was included to provide for two months of transition costs at the monthly rate of the base cost.

Other Plan Costs

The budget has allowed for carrier audits to be performed at an amount recommended by the FCC.

Welch LLP is the Billing & Collection Agent. Welch LLP was awarded a 5-year contract for the period of May 1, 2018 to April 30, 2023. The cost for the Billing & Collection Agent is provided based on the contract.

The cost of the Data Collection Agent has been provided for based on the USAC's estimate of NANP's share of the cost of the data collection. The Plan is charged 8% of the monthly cost that the Data Collection Agent incurs with respect to collection of data from the Form 499A.

The cost of the operational audit of the Plan has been included in the budget based on an estimate.

Bank fees are an expense of the Fund. An estimate of the fees is provided for based on prior years' history of bank fees.

Bad debts are an estimate of uncollectible accounts. This amount is based on history.

The costs have been reduced by the estimated interest income received on the funds held in the collateralized savings account and overdue accounts, and the late filing fees collected from carriers who file their Form 499A late.

The contingency allowance is to provide for additional costs not included in the budget or additional costs due to change in scope of work as mandated by the FCC. The contingency allowance has been provided for at \$2,000,000.

Deficit Recovery

In October 2018, Somos was awarded one year contracts to take over as interim NANPA Administrator and 1K Block Pooling Administrator. The awarded contracts cover the period from November 1, 2018 to October 31, 2019. The cost of the new contracts as well as the transitional costs were more than was budgeted in the 2018/19 budget. As a result, the NANP Fund will be in a deficit position at the end of the 2018/19 funding year. An agreement has been made to defer the August and September payments to Somos for both contracts until October 2019 so that the additional funds to cover the increased costs can be collected from the US carriers and International member countries through this budget. The anticipated deficit at September 30, 2019 based on the March 31, 2019 B&C Agent report to the Contract Oversight Sub-Committee is \$934,769 of which the International member countries will contribute \$60,722 leaving \$874,047 to be collected from US carriers.

NANPA FUND BUDGET AND CONTRIBUTION FACTOR
October 2019 to September 2020

NANPA Administration

NANPA Administration (69%)	\$ 2,347,147
NANPA CO Code Administration (31%)	<u>1,054,515</u>

Total NANPA Administration	<u><u>3,401,662</u></u>
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Less NANPA Administration costs funded by International Participants

Canada	164,078
Caribbean countries	<u>32,818</u>

Total Contributions by International Participants	<u>196,896</u>
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Net total NANPA Administration Costs	3,204,766
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1K Block Pooling Administration	4,464,190
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Carrier Audits	200,000
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Billing & Collections Agent	340,800
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Data Collection Agent	78,000
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Annual Operations Audit	49,000
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Bank charges	38,000
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Bad debts	40,000
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Interest income	(30,000)
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Fee for filing Form 499A late	<u>(80,000)</u>
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Total projected disbursements for October 2019 to September 2020 before contingency allowance and deficit recovery	8,304,756
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Desired contingency provision	2,000,000
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2018/19 anticipated deficit to be recovered	934,769
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Less Additional NANPA Administration costs funded by International Participants
attributable to additional NANPA Administration costs incurred in 2018/19

Canada	(50,185)
Caribbean countries	<u>(10,537)</u>

Net 2018/19 deficit to be recovered from US carriers	<u>874,047</u>
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Net US Carrier Contribution Requirement	<u><u>\$ 11,178,803</u></u>
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Contribution Factor	<u><u>0.0000908</u></u>
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